



DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
1777 HARDEE AVENUE SW
FORT MCPHERSON GEORGIA 30330-1062

REPLY TO
ATTENTION OF

AFLG-PR

11 June 1997

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contracting Information Letter (CIL) 97-3¹/₆, OUSD(C)
Purchase Card Memorandum #4 - Use of IMPAC for Purchases from the
Defense Automated Printing Service (DAPS)

1. The purpose of this CIL is to transmit and provide guidance on OUSD(C) Purchase Card Memorandum #4 (encl 1). Contracting Information Letter 97-7, which provided interim guidance for use of the IMPAC for printing services, is hereby rescinded.
2. Effective 1 July 1997, all orders for printing services provided by DAPS within CONUS and Hawaii are to be paid with the International Merchant Purchase Authorization Card (IMPAC).
3. The card will be considered as a payment method when acquiring printing services from DAPS. However, there is no requirement for using a separate payment card if the printing cost is \$2500 or less. If individual payments are expected to exceed \$100,000, VIP accounts must be set up with the vendor bank (currently Rocky Mountain Bank Card System).
4. Persons using the purchase card to pay for DAPS printing must complete the local IMPAC training class required for all cardholders. Additional training (e.g., using the card as a payment method under BPA procedures described in Acquisition Letter 96-3) is not required.
5. If printing orders are made centrally within the Directorate of Information Management (DOIM), or by any other office with a high volume of DAPS printing requirements, we recommend that the account be set up for DAPS payment purposes only IAW SFAC-PPPP memorandum, 12 March 1990, subject: Use of IMPAC Card for Payments (encl 2).
6. Local procedures should be established and managed jointly by the Directorates of Contracting, Resource Management, and Information Management. Unnecessary barriers are to be avoided.

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AFLG-PR

SUBJECT: Contracting Information Letter (CIL) 97-30, OUSD(C)
Purchase Card Memorandum #4 - Use of IMPAC for Purchases from the
Defense Automated Printing Service (DAPS)

7. Additional clarification is needed regarding the first paragraph on page two of Dr. Hamre's memorandum. Department of Defense (OSD) issued policy 20 March 1997 that, as of 1 October, contracting officers shall not award contracts or purchase orders for micropurchases of commercial items unless a written determination is made by a General Officer or member of the Senior Executive Service that either the source does not accept the card, or that written specifications are necessary. There are a few exceptions (e.g., SF 44s, BPA calls, purchase card specifies IMPAC will be used for payment).

8. Army has not disseminated this policy memorandum as we are trying to convince OSD to rescind or modify. This is viewed as an unnecessary barrier for installations that have already maximized use of the card. A copy of the 20 March 1997 OSD memorandum may be found on the Internet at <http://www.acq.osd.mil/dp/micropur.pdf>.

9. For additional information regarding this CIL, please contact Mrs. Pat Boterweg, DSN 367-5486, commercial (404)464-5486, or email to boterweg@ftmcpn-emh1.army.mil. The point of contact in Chief Information Office (CIO) is Mr. Don Bass, DSN 367-7145.



TONI M. GAINES
Chief, Contracting Division, DCSL&R
Principal Assistant Responsible
for Contracting

2 Encls
as

DISTRIBUTION:

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ATLANTA AREA CONTRACTING CENTER, ATTN: AFLG-PRC
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FT INDIANTOWN GAP, ATTN: AFZS-FIG-DOC

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SUBJECT: Contracting Information Letter (CIL) 97-30¹, OUSD(C)
Purchase Card Memorandum #4 - Use of IMPAC for Purchases from the
Defense Automated Printing Service (DAPS)

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REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109
May 19, 1997

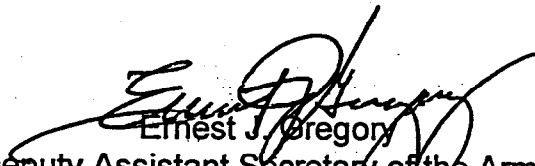
MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: OUSD(C) Purchase Card Memorandum # 4 - Use of IMPAC for
Purchases from the Defense Automated Printing Service (DAPS)

The purpose of this memorandum is to transmit and clarify OUSD(C) Purchase Card Memorandum # 4. This policy advises all activities that the IMPAC card will be the required method of payment for all purchases from DAPS effective July 1, 1997.

While PCM # 4 is not explicit, we have received clarifying guidance from OUSD(C) via EMAIL that says this policy **applies to all purchases at all dollar values**, not just those purchases from DAPS are \$2500 and less.

Questions concerning this policy can be directed to my IMPAC POC, Kathleen S. Miller, voice (703) 697-0757 or email milleks@hqda.army.mil or to the OSD points of contact listed in the policy.


Ernest J. Gregory
Deputy Assistant Secretary of the Army
(Financial Operations)

Enclosure

DISTRIBUTION:

Office, Secretary of the Army, ATTN: SAAA-RM, Washington, DC
20310-0105

Commander-in-Chief, U.S. Army Europe and Seventh Army,
ATTN: AEAGF-RM, APO AE 09014

Commander:

U.S. Forces Command, ATTN: FCRM-FB, Fort McPherson, GA
30330-6000

Eighth U.S. Army, ATTN: EARM, Unit #15236 APO AP 96205-0009
U.S. Army Materiel Command, ATTN: AMCRM, 5001 Eisenhower Ave,
Alexandria, VA 22333-0001



UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON DC 20301-1100

MAY -5 1997



COMPTROLLER

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES
DIRECTOR, DEFENSE MANPOWER DATA CENTER

SUBJECT: Purchase Card Reengineering Implementation Memorandum #4: Use of
International Merchant Purchase Authorization Card for Transactions with the
Defense Automated Printing Service

The Defense Automated Printing Service (DAPS) has experienced delays in the past with billings and collections from customers for its printing services. In order to resolve these delays, the DAPS, in August 1996, started accepting the International Merchant Purchase Authorization Card (IMPAC) from its DoD customers in payment for goods and services.

The IMPAC program uses established commercial credit card practices and has proven to benefit both DAPS and its customers. There are no card fees or administrative costs and it saves on every purchase. Use of the IMPAC makes it easier to monitor your organization's procurement activities. The IMPAC also allows your managers to have more fiscal and operational control over their organizations. Productivity can be improved because the wait for services is a matter of hours, not days. And your DFAS bill will be reduced as you increase the use of the IMPAC.

The Army was recently recognized by the GSA as the largest user of the IMPAC within the Federal Government. More than 36,000 purchase cards were issued by the Army in fiscal year 1996. Those cardholders have made approximately 1.6 million purchases valued in excess of \$740 million. In addition, the Army Audit Agency found that when compared to using purchase orders, the purchase card provided a savings of \$92 per transaction; this kind of savings will be passed on by DFAS through the billing rate structure. The IMPAC is now considered by the Army organizations as the preferred method of obtaining goods and services valued at or less than \$2500. They now order and receive goods and services within days rather than waiting weeks for them.

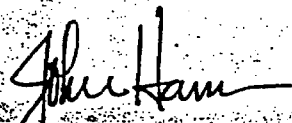


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Effective July 1, 1997, all orders for printing services placed by customers of the DAPS within the Continental United States (CONUS) and Hawaii are to be acquired using the IMPAC. This mandate is in conjunction with the Under Secretary of Defense (Acquisition and Technology) memorandum of March 20, 1997, "Micro-purchases," which states that effective October 1, 1997, no contracts or purchase orders for micro-purchases at or below the threshold will be awarded and that the Government-wide commercial purchase card will be the preferred method for these types of purchases.

Please advise your organizations of this mandate to use the IMPAC for purchases from DAPS and emphasize the importance of this tool in streamlining the Department's financial management processes. The use of the IMPAC is an important step in improving the business processes in the DAPS and in its customers' organizations.

The DAPS-HQ point of contact is Mr. Richard DeNeane, (703) 767-4269 or DSN 427-4269. Customers also may call the DAPS Customer Service Line at 800-594-3349 or the local DAPS offices. Accounting inquiries may be directed to Mr. Ron Bishop, DFAS-HQ/A at (703) 607-0741 or DSN 327-0741.



John J. Hamre



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

12 MAR 1990

MAR 14 1990



SFAE-CSA-PPP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Use of IMPAC Card for Payments

Acquisition Letter (AL) 96-1 made distribution of the revised AFARS coverage on Government Credit Cards, Subpart 13.90. The new coverage provides significant latitude to contracting offices in the use of the IMPAC card both as a method of purchasing and payment.

The AFARS threshold limiting the use of the card as a payment instrument has been removed. The limitation on any single transaction amount placed on the IMPAC card is now \$999,999.99 and is due to Bank software limitations. The removal of AFARS restrictions was done in an effort to identify areas where efficiencies and economies can be obtained by use of the IMPAC card to make payments against contracts or purchase orders. Close coordination between the contracting office and the billing and payment offices is essential in order to assure proper contractor payment as well as financial and accounting transactions.

Prior to establishing cards for payments, a cost-benefit assessment should be made to determine that the card will provide the best alternative for making payment against a contract or order. Contracts must include a provision which allows payment by IMPAC card with instructions on properly identifying and distributing contractor invoices. In addition, cards used "for payment only" should have their accounts established to allow their transactions to be segregated from purchasing transactions.

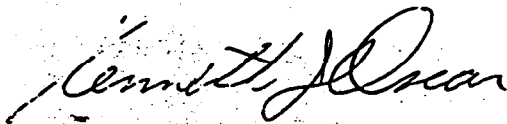


Encl 2

Several activities are currently evaluating use of the card for payment purposes on transactions exceeding \$2,500. The National Guard Bureau (NGB) is assessing the benefits of using the card to make payments against existing and proposed contracts. The benefits to the contractor will be quicker payment while the benefits perceived by the NGB will be lower costs associated with DFAS billings and lower instances of unmatched disbursements. NGB proposes to issue payment cards to comptrollers located at each of the United States Property and Fiscal Official offices. The letters of authorization will stipulate that the cards are "for payment purposes only."

Defense Supply Service-Washington (DSS-W) contracting office is currently using the card to streamline purchases between \$2,500 and \$25,000. Using an advance written agreement between the contracting office and its vendor base, DSS-W has used the card to make purchases up to \$25,000. The bilateral agreement lists clauses which the vendors agree to incorporate into purchases made with the card which are valued between \$2,500 and \$25,000.

I will collect the results of these initiatives and some examples of the "Best Practices" I have seen in implementing the IMPAC program and provide them to you next month. Questions on the use of the IMPAC card for payment may be directed to the Army Program Coordinator, Mr. Bruce E. Sullivan at (703) 681-9086, (DSN) 761-9086, and (e.mail) at sullivanb@sarda.army.mil.



Kenneth J. Oscar
Deputy Assistant Secretary of the Army
(Procurement)